

2009 Health Professional Loan Repayment Program Guidelines & Terms of Agreement

It is your responsibility to read and understand these Guidelines and Terms of Agreement. If you have questions please contact our office:

Web site: www.hecb.wa.gov/health

Email: healthprof@doh.wa.gov

Phone: (360) 236-2817

Funds paid by the program to participants are for the sole purpose of repaying outstanding educational loan debt. These loans must have been secured while attending a program which led to licensure as a health professional.

ELIGIBILITY *Follow these general steps:*

1. Site must be approved and listed on the 2009 Loan Repayment Eligible Site List. Site approval runs November 2009 through June 30, 2010.
2. Applicants must meet the eligibility requirements, work or begin work no later than July 1, 2009, at an approved site.
3. Applicant must be providing primary care: Primary care is continuous and comprehensive services, addressing the largest majority of personal health care needs. If you serve only targeted populations, it is not considered in our definition of primary care.
Examples: Pharmacist who works with diabetes or anticoagulation patients; Doctors who work in specialty clinics.
4. Submit the 2009 Health Professional Loan Repayment Application and follow the required application format.

Site Eligibility:

To be eligible, the site must:

- Be listed on the current eligible site list that is posted on our web site: www.hecb.wa.gov/health.
- Charge for professional services at the prevailing rate (cannot be a free clinic).
- Accept Medicaid patients using A or B of Title XVIII of the Federal Social Security Act or a state plan for medical assistance approved under Title XIX of the Act.
- Accept an assignment from Medicare under the terms specified in Title XVIII of the federal Social Security Act, section 18.42 (b)(3)(B)(ii).
- Accept patients entitled to medical assistance under the state Medicaid agency.

A site may receive only one award per profession - per recruitment or retention - per year. If the site has two or more applications from the same profession, the site will be given the opportunity to identify how the award will be distributed. This award, if split among applicants will not exceed the highest debt requested or \$75,000, whichever is less.

Applicant Eligibility:

To be eligible, the applicant must:

- Be a United States citizen. (Permanent resident status does not qualify.)
- Have a current and valid license to practice in Washington state.
- Be employed or have a contract to begin employment at an eligible site no later than July 1, 2009.
- Have current eligible educational debt required for licensure in the profession.

Applicant Eligibility continued:

- Must be providing primary care. Urgent Care Clinics, Emergency Department, Specialty Clinics and Placement Agencies are not considered primary care and are not eligible.
Example of a specialty: *pharmacist working solely with patients with specified disease such as diabetes, anticoagulation, etc., nurses working in kidney dialysis, doctors solely practicing in cardiac care, etc.*
- Not have a judgment lien against their property for a debt to the United States. Debtors with judgment liens for Federal debts are ineligible.
- Not owe a service obligation to the military, federal government, state, or other entity unless that obligation will be completely satisfied prior to the beginning of service under this program.
- Not ever have defaulted on any Federal payment obligations (HEAL, Nursing Student Loans, Federal income tax liabilities, FHA loans, etc.)
- Not ever have breached a prior service obligation to the Federal/State/local government or other entity, even if you have subsequently satisfied the obligation.
- Not ever have had any Federal debt written off as uncollectible or had any Federal service or payment obligation waived.
- Not have a Perkins Loan being forgiven by service (this is a service obligation).
- Not have received funds through the Health Professional Scholarship program.
- Not be in default on any education loans or other service obligations.

Eligible Loans:

Includes:

- Educational loans leading to licensure in your profession. If the applicant has consolidated loans, the applicant must provide a copy of the original loan documentation if requested.

Does Not Include:

- Loans that have no current balance.
- Loans that have been consolidated under non-educational lenders (*example: home mortgage*).
- Stafford Parent Plus Loans.
- Loans that have been consolidated with another person's loans (*example: spouse*).
- Loans obtained under someone else's name, such as a relative, spouse or friend.
- Loans that are currently being repaid by the employer.
- Perkins Loans that are being forgiven by service.
- Loans for other educational expenses that were not required to obtain licensure in the profession.

Verification of payment on loan debt will be required periodically throughout the service obligation. If awarded, loans may not be re-negotiated with lenders to accelerate repayment.

SELECTION

Applicants will be selected for participation in the Health Professional Loan Repayment Program based on the following criteria but not limited to:

- Site application score.
- Commitment and experience in serving the medically underserved or shortage areas, as described in the narrative portion of the application.

Priority for the first cycle is recruitment. However both recruitment and retention applications are accepted in either cycle.

AWARD AND PAYMENTS

- The maximum award amount is \$75,000, not to exceed applicant's loan debt.
- Awards are based on the loan debt balance at the time of award. The funds are intended to reduce the debt by the award amount. It is not intended to pay the balance in full as interest continues to accrue.
- Participant must serve full-time for a minimum of three years. The service obligation will be prorated for less than 40 hours per week. *(For all health professionals, "full-time clinical practice" is defined as a minimum of 40 hours per week of patient care at an approved site, with no more than 8 of those hours per week devoted to practice-related administrative activities.)*
- Awards will be divided into quarterly payments over the obligation period.
- Credit is earned during the quarter and payments are made after the completion of each quarter and upon receipt, review and approval of the Service Verification Form.
- Participants agree to submit loan records and information from lenders as requested to verify eligibility and to determine payments.
- All program funds must be applied to the approved lender(s) listed on Award Notification.
- The loan repayment contract will begin in April **or** in July as indicated on your Award Notification. During the first three months of the contract, the participant is responsible for continuing all lender payments. Program funds may not be used as reimbursement for those payments.
- For program audit requirements, payment history tracking begins the month the first check is issued - not the first day of the contract period.
- Legislation sponsored by Senator Cantwell and passed during the 2004 congressional session, makes loan repayment funds disbursed after December 31, 2003 exempt from the IRS employment tax.
- Payments will be suspended during medical leave (*example: FMLA*) and the service obligation will be prorated accordingly.

REPAYMENT

Participants who serve less than the service obligation period specified in the Award Notification must repay the program an amount equal to twice the total amount paid by the program or if awarded federal funds as identified in the signed contract. Participants who do not fully apply program funds to the educational lenders as identified in the Award Notification will be required to repay the program those funds with double penalty.

The program may waive, in full or in part, the obligation for service or its rights to recover financial damages if the program determines that failure to fulfill the service obligation was due to circumstances beyond the participant's control such as:

- Medically documented physical impairment or mental impairment to the degree that the participant can no longer function in his/her assigned duties, or
- The participant's death.

The program shall not be held responsible for any outstanding payments on principal and interest to any lender.

Funds are considered educational and cannot be discharged in a bankruptcy.

Please note: Loan debt continues to accrue interest during the service obligation period. Participants are responsible for any balance remaining at the end of the obligation period. Program funds are intended to reduce the debt by the award amount and may not pay the balance in full.